

## Senator Lieberman's Mortgage Assistance Tip Sheet

Over the past year, we have seen a vast increase in the number of Connecticut residents experiencing foreclosures. If you or someone you know has already missed one or more mortgage payments, I recommend that you reach out to state, federal, and nonprofit organizations that may be able to assist you. Acting early increases the potential for you, or an individual you know, to avoid foreclosure. **I encourage you to do this as soon as possible.** Contact your mortgage lender immediately or call 1-888-995-4673 (1-888-995-HOPE) to reach a U.S. Department of Housing and Urban Development (HUD)-approved housing counselor. HUD-approved **counseling services are FREE** and can help you evaluate your income and expenses and understand your options.

On July 30, 2008, with my support, the Housing and Economic Recovery Act of 2008 (H.R. 3221) was signed into law. The legislation includes a number of provisions designed to help struggling homeowners cope with the economic slowdown and avoid foreclosure. It increases the loan limit on reverse mortgages for seniors to \$625,000; and, most importantly, it establishes the HOPE for Homeowners (H4H) Program, which will allow the Federal Housing Administration (FHA) to insure distressed loans for principal residences that have been renegotiated at a significant discount to the borrower. H4H began on October 1, 2008, and will end on September 11, 2011. The program is voluntary – both the borrower and lender must agree to participate. For additional information, contact a HUD-approved counselor from the list of counseling agencies mentioned below or contact FHA directly at 1-800-225-5342, or visit the HUD website at [http://portal.hud.gov/portal/page?\\_pageid=73,7601299&\\_dad=portal&\\_schema=PORTAL](http://portal.hud.gov/portal/page?_pageid=73,7601299&_dad=portal&_schema=PORTAL).

In 2009, President Obama unveiled the Homeowner Affordability and Stability Plan, a comprehensive strategy to help stabilize the economy and housing markets. As a part of this plan, the U.S. Department of the Treasury has released national guidelines for the Making Home Affordable Loan Modification Program. This program will offer assistance to homeowners making a good faith effort to make their mortgage payments. It will not provide money to speculators, and it will target support to the working homeowners who have made every possible effort to stay current on their mortgage payments. The guidelines will give financial incentives for mortgage lenders to modify existing first mortgages and set standard industry practices for modifications. For additional information and to utilize a self-assessment tool, go to the following website at <http://www.makinghomeaffordable.gov/>. For a complete listing of lenders participating in the Making Home Affordable Program please visit the following website at [http://www.makinghomeaffordable.gov/contact\\_servicer.html](http://www.makinghomeaffordable.gov/contact_servicer.html).

Connecticut law provides certain safeguards for Connecticut homeowners. Effective September 1, 2010, the Mortgage Foreclosure Standing Order regarding Federal Loss Mitigation Programs was implemented to ensure that no mortgage foreclosure proceeding is initiated, no previously initiated mortgage foreclosure proceeding goes to judgment, and no sale of a residential property for which the mortgage has been foreclosed is approved pursuant to a judgment of foreclosure by sale, unless the defendant has had an opportunity, if the defendant is eligible, to apply for relief under a federal loss mitigation program including, but not limited to, the Home Affordable Modification Program (HAMP), the Second Lien Modification Program (2MP), the Home Affordable Unemployment Program (UP), and the Home Affordable Foreclosure Alternative Program HAFA. For additional information about these programs please visit the U.S. Department of Treasury Website <http://www.makinghomeaffordable.gov/eligibility.html>

On October 6, 2010, HUD announced that Connecticut will receive \$32,946,864 to assist struggling homeowners through its new Emergency Homeowners Loan Program (EHLPP). EHLPP will offer forgivable, deferred payments "bridge loans" for up to \$50,000 to help eligible borrowers with their mortgage arrearages and monthly mortgage payments. EHLPP applications will be available December

2010. For additional information regarding this program please contact the Connecticut Housing Finance Authority (CHFA) directly at toll free at 1-877-571-2432. You may also obtain additional information from HUD's website at <http://portal.hud.gov/portal/page/portal/HUD/states/connecticut/news/HUDNo.2010-10-06>.

Beginning January 31, 2011, a new Federal Trade Commission (FTC) rule will ban mortgage relief companies from collecting fees for service until homeowners accept a written offer from their lender or servicer. The rule will further require mortgage relief companies to disclose pertinent information to homeowners and will call for greater accountability in an effort to prevent homeowners from being misled. For additional information please contact the FTC at 1-877-382-4357 or visit their website at <http://ftc.gov/opa/2010/11/mars.shtm>. If you suspect fraudulent activity related to a mortgage relief company, you may also contact the Connecticut Mortgage Fraud Task Force at 203-333-3513.

The following resources can help you to understand better the options that may be available:

- As a result of a lawsuit filed by Attorney General Richard Blumenthal against Countrywide (now Bank of America), approximately 4,500 Countrywide/Bank of America consumers may be eligible for loan modifications, thus saving them from foreclosure. For more information, and to find out if you are eligible to participate, please contact Bank of America directly at toll free (800) 669-6607.
- As a result of legislation passed into law by the Connecticut General Assembly, a Mortgage Foreclosure Assistance Hotline has been established to provide information to Connecticut residents facing foreclosure on their homes. To access the hotline, call 1-877-472-8313 toll free which is open Monday-Friday, 8:00 a.m. to 5:00 p.m. In addition, two new programs have been established to assist homeowners. The EMAP (Emergency Mortgage Assistance Program) and the CT FAMILIES programs. These programs are being administered by the Connecticut Housing Finance Authority (CHFA). For more information and details about program guidelines, please contact CHFA directly at 860-571-3500 or toll free at 1-877-571-2432.
- HUD maintains a list of **FREE** or low-cost approved housing counselors. To speak with a HUD approved counseling agency, contact HUD directly at 1-800-569-4287. Also, if you have an FHA mortgage, be sure to ask the representative for additional information about the FHA Loss Mitigation Program. Under this program, lenders have the ability to offer borrowers a number of HUD-approved options for avoiding foreclosure. You should also inquire about HUD's FHA Secure Plan.
- The Connecticut Department of Banking offers a website on "avoiding foreclosure." The website offers advice to people who have fallen behind on their mortgage payments and can be accessed at <http://www.ct.gov/dob/cwp/view.asp?a=2235&q=386114>.
- CT Fair Housing Center offers **FREE** Foreclosure Prevention Clinics for CT residents facing foreclosure. For additional information contact CFHC at (888) 247-4401 or visit the CFHC website at <http://ctfairhousing.org/subprime-lending/foreclosure-prevention-clinics/>
- The Federal Trade Commission's fact sheet "Mortgage Payments Sending You Reeling? Here's What To Do," [www.ftc.gov/bcp/edu/pubs/consumer/homes/rea04.shtm](http://www.ftc.gov/bcp/edu/pubs/consumer/homes/rea04.shtm)

- Additional information that you may find help can be found on the following websites:

Center for Responsible Lending, [www.responsiblelending.org](http://www.responsiblelending.org)

Comptroller of Currency, [http://www.helpwithmybank.gov/faqs/mortgage\\_general.html](http://www.helpwithmybank.gov/faqs/mortgage_general.html)

Homeowner Frequently Asked HAMP Questions,

<http://www.makinghomeaffordable.gov/faqs/homeowner-faqs/Pages/default.aspx>

I hope this information is helpful.